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*Counsel for the Debtors, Acting at the
Direction of the Restructuring Sub-Committee*

**UNITED STATES BANKRUPTCY COURT
THE SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re:	: Chapter 11
	:
SEARS HOLDINGS CORPORATION, et al.,	: Case No. 18-23538 (RDD)
	:
Debtors.¹	: (Jointly Administered)
	:
-----X	

**FIFTH MONTHLY FEE STATEMENT OF
YOUNG CONAWAY STARGATT & TAYLOR, LLP
FOR COMPENSATION FOR SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES INCURRED
AS CONFLICTS COUNSEL FOR THE DEBTORS FOR THE PERIOD
FROM FEBRUARY 1, 2019 THROUGH FEBRUARY 28, 2019**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Name of Applicant:	Young Conaway Stargatt & Taylor, LLP
Authorized to Provide Professional Services to:	Conflicts Counsel for the Debtors
Date of Retention:	November 13, 2018, <i>nunc pro tunc</i> to October 15, 2018
Period for which compensation and reimbursement is sought:	February 1, 2019 through February 28, 2019
Monthly Fees Incurred:	\$13,011.50
20% Holdback:	\$2,602.30
Total Compensation Less 20% Holdback:	\$10,409.20
Monthly Expenses Incurred:	\$34.80
Total Fees and Expenses Due:	\$10,444.00
This is a: <u> X </u> monthly <u> </u> interim <u> </u> final application	

In accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 796] (the “Interim Compensation Order”),² Young Conaway Stargatt & Taylor, LLP (“Young Conaway”) hereby submits this fifth monthly fee statement (the “Monthly Fee Statement”), seeking compensation for services rendered and reimbursement of expenses incurred as conflicts counsel to the Debtors for the period from February 1, 2019 through February 28, 2019 (the “Monthly Fee Period”). By this Monthly Fee Statement, Young Conaway seeks payment in the amount of \$10,444.00 which is comprised of (i) \$10,409.20, which represents eighty percent (80%) of the total amount of compensation sought for actual and necessary services rendered during the Monthly Fee Period,

² Capitalized terms used herein but not otherwise defined herein have the meanings ascribed to them in the Interim Compensation Order.

and (ii) reimbursement of \$34.80, which represents one hundred percent (100%) of actual and necessary expenses incurred in connection with such services.

Services Rendered and Expenses Incurred

1. Attached as Exhibit A is a summary of Young Conaway's professionals by individual, setting forth the (i) name, title, and department of each individual who provided services in connection with the Chapter 11 Cases during the Monthly Fee Period, (ii) aggregate hours spent by each individual, (iii) hourly billing rate for each such individual at Young Conaway's billing rates during the Monthly Fee Period, (iv) amount of fees earned by each Young Conaway professional, and (v) the number of years in practice for each attorney. The blended hourly billing rate of Young Conaway attorneys during the Monthly Fee Period is approximately **\$830.43**. The blended hourly rate of paralegals and other non-legal staff during the Monthly Fee Period is approximately **\$295.00**.

2. Attached as Exhibit B is a summary of the services rendered and compensation sought, by project category, for the Monthly Fee Period.

3. Attached as Exhibit C is a summary of expenses incurred and reimbursement sought, by expense type, for the Monthly Fee Period.

4. Attached as Exhibit D is itemized time detail of Young Conaway professionals for the Monthly Fee Period and summary materials related thereto. The description of the work done by counsel in the time detail may have been edited to protect the confidential and privileged nature of the work completed.

Notice and Objection Procedures

5. Notice of this Monthly Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179 (Attn: Rob Riecker, Luke Valentino, Esq.); (ii) the attorneys for

the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153 (Attn: Ray C. Schrock, P.C., Esq., Jacqueline Marcus, Esq., Garrett A. Fail, Esq., and Sunny Singh, Esq.); (iii) the U.S. Trustee, 201 Varick Street, Suite 1006, New York, NY 10014 (Attn: Paul Schwartzberg, Esq., and Richard Morrissey, Esq.); (iv) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036 (Attn: Philip C. Dublin, Esq., Ira Dizengoff, Esq., and Sara Lynne Brauner, Esq.), attorneys for the Official Committee of Unsecured Creditors; and (v) Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036 (Attn: Paul D. Leake, Esq., Shana A. Elberg, Esq., and George R. Howard, Esq.), attorneys for Bank of America, N.A., administrative agent under the First Lien Credit Facility and the DIP ABL Agent (collectively, the “Notice Parties”).

6. Objections to this Monthly Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than **April 12, 2019** (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

7. If no Objections to this Monthly Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

If an Objection to this Monthly Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Monthly Fee Statement to which the Objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an Objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: March 29, 2019

/s/ Pauline K. Morgan

YOUNG CONAWAY STARGATT & TAYLOR, LLP
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Pauline K. Morgan
Ryan M. Bartley
Travis Buchanan

*Counsel for the Debtors, Acting at the
Direction of the Restructuring Sub-Committee*

Exhibit A

Compensation by Professional

**SUMMARY OF MONTHLY FEE STATEMENT OF
YOUNG CONAWAY STARGATT & TAYLOR, LLP FOR
SERVICES RENDERED FOR THE PERIOD
FROM FEBRUARY 1, 2019 THROUGH FEBRUARY 28, 2019**

Name of Partners and Counsel	Title	Department	Years in Practice	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Pauline K. Morgan	Partner	Bankruptcy	31	975.00	8.10	7,897.50
Ryan M. Bartley	Partner	Bankruptcy	11	625.00	5.70	3,562.50
Total Partners and Counsel:					13.80	11,460.00

Name of Associate	Title	Department	Years in Practice	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Travis Buchanan	Associate	Bankruptcy	7	530.00	.20	106.00
Total Associates/Law Clerks:					.20	106.00

Name of Paralegals and Other Non-Legal Staff	Title	Department	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Brenda Walters	Paralegal	Bankruptcy	295.00	4.90	1,445.50
Total Paralegals:				4.90	1,445.50

PROFESSIONALS	BLENDED RATE (\$)	TOTAL BILLED HOURS	TOTAL COMPENSATION (\$)
Partners and Counsel	830.43	13.80	11,460.00
Associates/Law Clerks	530.00	.20	106.00
Paralegals/Non-Legal Staff	295.00	4.90	1,445.50
Blended Attorney Rate	826.14		
Total Fees Incurred:		18.90	13,011.50

Exhibit B

Compensation by Task Code

**AGGREGATE TIME SUMMARY BY TASK CODE
FOR THE PERIOD FEBRUARY 1, 2019 THROUGH FEBRUARY 28, 2019**

Project Category	Total Hours	Total Fees (\$)
Case Administration (B001)	1.40	578.00
Court Hearings (B002)	1.00	559.00
Cash Collateral/DIP Financing (B003)	.70	682.50
Use, Sale or Lease of Property (B006)	7.50	6,507.50
Meetings (B008)	2.0	1,565.00
Other Adversary Proceedings (B011)	.40	320.00
Plan and Disclosure (B012)	.20	195.00
Retention of Professionals/Fee Issues (B017)	.80	283.00
Fee Application Preparation (B018)	4.90	2,321.50
TOTAL	18.90	13,011.50

Exhibit C

Expense Summary

**AGGREGATE ITEMIZED DISBURSEMENTS
FOR THE PERIOD FEBRUARY 1, 2019 THROUGH FEBRUARY 28, 2019**

Expenses Category	Total Expenses (\$)
Reproduction Charges	34.80
TOTAL	34.80

Exhibit D

Time Detail

YOUNG CONAWAY STARGATT & TAYLOR, LLP

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1000 NORTH KING STREET
WILMINGTON, DELAWARE 19801

P.O. BOX 391
WILMINGTON, DELAWARE 19899-0391

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Sears Holdings Corporation
333 Beverly Rd
c/o Alan Carr, Director
Hoffman Estates, IL 60178

Invoice Date:	March 20, 2019
Invoice Number:	50004097
Matter Number:	072902.1003

Re: Debtor Representation

CURRENT INVOICE

Professional Services	\$	13,011.50
Disbursements	\$	<u>34.80</u>
Total Due This Invoice	\$	13,046.30

Sears Holdings Corporation

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Invoice Date:

March 20, 2019

Invoice Number:

50004097

Matter Number:

072902.1003

Time Detail**Task Code:** B001 Case Administration

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/01/19	BWALT	Update docket	0.50	295.00	147.50
02/01/19	BWALT	Update docket	0.40	295.00	118.00
02/13/19	RBART	Call with P. Morgan re: go-forward work plan for RSC	0.10	625.00	62.50
02/19/19	RBART	Call with R. Britton and follow up with P. Morgan re: RSC's go-forward work plan	0.20	625.00	125.00
02/20/19	RBART	Correspondence with P. Morgan re: RSC meeting and open issues	0.10	625.00	62.50
02/22/19	RBART	Correspondence with P. Morgan re: RSC work going forward	0.10	625.00	62.50
Total			1.40		578.00

Task Code: B002 Court Hearings

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/01/19	BWALT	Register R. Bartley for telephonic appearance for February 4 hearing	0.20	295.00	59.00
02/07/19	RBART	Review summary of hearing and outcome	0.80	625.00	500.00
Total			1.00		559.00

Task Code: B003 Cash Collateral/DIP Financing

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/05/19	PMORG	Emails with C. Toto and T. Lii re: weekly carve-out reporting	0.10	975.00	97.50
02/12/19	PMORG	Emails with Paul, Weiss team re: weekly carve-out reporting	0.10	975.00	97.50
02/12/19	PMORG	Emails with Paul Weiss team re: weekly carve-out reporting	0.10	975.00	97.50
02/19/19	PMORG	Emails with Paul Weiss team re: case budgeting and weekly carve-out reporting	0.20	975.00	195.00
02/26/19	PMORG	Emails with Paul Weiss team re: weekly carve-out reporting and updated budget	0.10	975.00	97.50

Sears Holdings Corporation

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Invoice Date:

March 20, 2019

Invoice Number:

50004097

Matter Number:

072902.1003

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/26/19	PMORG	Review weekly fee forecast and forward to MIII	0.10	975.00	97.50
Total			0.70		682.50

Task Code: B006 Use, Sale or Lease of Property (363 issues)

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/01/19	PMORG	Emails with Paul, Weiss team re: Reply and Carr declaration in opposition to UCC sale objection (.10); Review and Revise Carr declaration (.50); Review draft Transier declaration (.30); Review and comment on Restructuring Committee's Reply to UCC sale objection (.80); Emails and call with R. Bartley re: same (.20); Review various declarations filed by the Debtors (.40)	2.30	975.00	2,242.50
02/01/19	RBART	Review and comment on pleadings in support of sale (1.6); Call with P. Morgan re: reply papers (.1)	1.70	625.00	1,062.50
02/02/19	PMORG	Review Debtors' Reply in support of sale motion and related documents	1.30	975.00	1,267.50
02/04/19	PMORG	Review summary of sale hearing	0.10	975.00	97.50
02/06/19	PMORG	Review summary of second day of sale hearing evidence	0.10	975.00	97.50
02/06/19	RBART	Review summary of sale hearing	0.20	625.00	125.00
02/07/19	PMORG	Review results of sale hearing	0.10	975.00	97.50
02/11/19	RBART	Brief review of transcript ruling re: sale hearing (.3); review correspondence re: sale closing (.1)	0.40	625.00	250.00
02/11/19	PMORG	Review sale hearing transcript	1.30	975.00	1,267.50
Total			7.50		6,507.50

Task Code: B008 Meetings

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/11/19	RBART	Correspondence with P. Morgan, T. Lii and B. Britton re: RSC meeting (0.1); Update call with RSC (.4) and follow up with P. Morgan (.2)	0.70	625.00	437.50
02/11/19	PMORG	Participate in update call with Subcommittee, Paul, Weiss, A&M and Evercore (.4); follow-up call with R. Bartley re: same (.2)	0.60	975.00	585.00

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Invoice Date:

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Invoice Number:

50004097

Matter Number:

072902.1003

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/18/19	PMORG	Participate in update call with RSC and co-counsel (.20); Follow-up call with R. Bartley re: same (.10)	0.30	975.00	292.50
02/28/19	RBART	RSC call re: plan process	0.40	625.00	250.00
Total			2.00		1,565.00

Task Code: B011 Other Adversary Proceedings

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/28/19	RBART	Call with P. Morgan and follow up correspondence with Paul Weiss re: 2004 discovery	0.20	625.00	125.00
02/28/19	PMORG	Review and respond to emails from J. Hurwitz, K. King and D. Geller at Paul Weiss re: Rule 2004 requests	0.20	975.00	195.00
Total			0.40		320.00

Task Code: B012 Plan and Disclosure Statement

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/11/19	PMORG	Review UCC exclusivity objection	0.20	975.00	195.00
Total			0.20		195.00

Task Code: B017 Retention of Professionals/Fee Issues

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/05/19	TBUCH	Review parties in interest re: supplemental disclosures	0.20	530.00	106.00
02/27/19	BWALT	Emails with M. Tattnall regarding fourth monthly fee statement (.2); finalize statement, and emails to P. Morgan, R. Bartley, and B. Oliveri (3); circulate statement as filed (.1)	0.60	295.00	177.00
Total			0.80		283.00

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Invoice Date:

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Matter Number:

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Task Code: B018 Fee Application Preparation

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/15/19	PMORG	Review January fee exhibits to ensure protection of privilege and compliance with local rules	0.40	975.00	390.00
02/26/19	BWALT	Draft fourth monthly fee statement (2.8), confer with R. Bartley (.2); and email to R. Bartley, P. Morgan, and D. Willis regarding third and fourth monthly fee statements (.2)	3.20	295.00	944.00
02/26/19	RBART	Discussion with B. Walters re: preparation of fee application (.2); begin review and comment on fee application and submission (.2)	0.40	625.00	250.00
02/26/19	PMORG	Review and Revise January fee statement	0.30	975.00	292.50
02/27/19	RBART	Review and comment on monthly fee statement and review invoice for confidentiality and privilege	0.40	625.00	250.00
02/27/19	PMORG	Review and revise fee statement and emails with R. Bartley and B. Walters re: same	0.20	975.00	195.00
Total			4.90		2,321.50

Sears Holdings Corporation

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Invoice Date:

March 20, 2019

Invoice Number:

50004097

Matter Number:

072902.1003

Timekeeper Summary

<u>Initials</u>	<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
BWALT	Brenda Walters	Paralegal	4.90	295.00	1,445.50
PMORG	Pauline K. Morgan	Partner	8.10	975.00	7,897.50
RBART	Ryan M. Bartley	Partner	5.70	625.00	3,562.50
TBUCH	Travis G. Buchanan	Associate	0.20	530.00	106.00
Total			18.90		\$13,011.50

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Invoice Number:

50004097

Matter Number:

072902.1003

Task Summary

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
B001	Case Administration	1.40	578.00
B002	Court Hearings	1.00	559.00
B003	Cash Collateral/DIP Financing	0.70	682.50
B006	Use, Sale or Lease of Property (363 issues)	7.50	6,507.50
B008	Meetings	2.00	1,565.00
B011	Other Adversary Proceedings	0.40	320.00
B012	Plan and Disclosure Statement	0.20	195.00
B017	Retention of Professionals/Fee Issues	0.80	283.00
B018	Fee Application Preparation	4.90	2,321.50
Total		18.90	\$13,011.50

Sears Holdings Corporation

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Invoice Date:

March 20, 2019

Invoice Number:

50004097

Matter Number:

072902.1003

Cost Detail

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Amount</u>
02/01/19	Reproduction Charges	162.00	16.20
02/11/19	Reproduction Charges	135.00	13.50
02/22/19	Reproduction Charges	13.00	1.30
02/26/19	Reproduction Charges	38.00	3.80
Total			\$34.80

Sears Holdings Corporation

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Invoice Date:

March 20, 2019

Invoice Number:

50004097

Matter Number:

072902.1003

Cost Summary

<u>Description</u>	<u>Amount</u>
Reproduction Charges	34.80
Total	\$34.80